

Understanding the Local Development Environment: Advice for Developers and Their Associates.

How The Local Economic Development Environment Challenges You

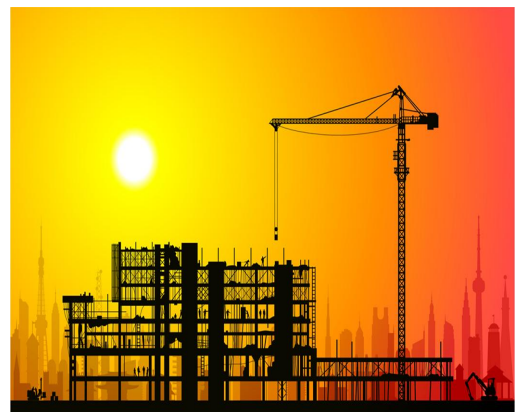
We all know the stories about big industrial projects that generated state and local incentive “bidding wars”. These events were so numerous in the late 1980’s and early 1990’s that the National Governors Association even considered proposing legislation to constrain them.

Most every community was and is looking for that next big employment “hit”, and the site location consultants that are shopping industrial, logistics, technology and other large (and even not so large) private investment projects expect state and local governments to roll out the financial carpet for them: and often they will.

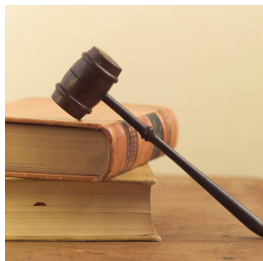
But most of the economic development projects that communities deal with on a day-to-day basis are not projects of this sort. During the late 1990’s the Illinois Department of Commerce and Community Affairs (DCCA) studied the conditions in which manufacturing location and relocation projects — the Holy Grail of economic development — occur. DCCA determined that on average there were only about 24 new manufacturing projects (involving 300 or more workers from 1986-1996) seeking new locations each year. Of this two dozen, approximately half located within one zip code of one of the

company’s existing operations. What this means is that most of the projects communities deal with are small ones, most often the result of existing businesses expanding or new retail starts. So if this is the typical project for a community, it is also the typical project a developer or someone providing professional assistance to a developer will bring to the locality.

Since economic development is unlike most other activities in which communities engage, it is important for those in the business of development to understand the environment in which local governments work, and what developers and their associates can do to help a local government say ‘yes’ and assist a project.



Remember: They Are Doing ‘Government’, Not ‘Development’.



While cities, towns and villages are interested in economic development and want to encourage capital investment and job growth, don't forget that they are doing 'government', not 'development'. This being the case they are constrained in two ways: public perception and what their laws, policies and procedures will allow.

Public perception is not unimportant, and we all know of projects that have been rejected due to NIMBY. If you don't already know a community, spend a little time getting to know it. If you anticipate neighborhood opposition, arrange to speak with the neighbors. They still may not welcome your project, but your effort will go a long way toward building larger public and political support. It's a small investment of time that often generates big rewards.

More importantly, getting to understand the political playing field can help advise the business decision and keep a business from making a mistake. For example, for one large project the business read a year's worth of past city council minutes to get a feel for how "business friendly" the communities under consideration were.

Also be aware that the municipality is limited by law, policy and procedure. These can be changed, of course, but that takes time and the community may not find it reasonable to change its code for one project: no matter how good you think it is.

A location decision is a business decision. Let the local leadership know up-front that your intention is to make the

best business decision for the client AND the community, and that you will be as forthcoming as you can to help the community help you. If there are constraints on what you can provide to them or special conditions for the discussions you will have with them, let them know that up front. For example, let the community know if confidentiality is required, but understand that at some point they must inform the public.

Equally, ask the community to be just as forthcoming with you about any local rules, policies, processes or problems that may adversely affect the project. This information is valuable to you and your client, and will also help you gauge the extent to which the community is willing to work with you to solve problems and overcome barriers.

There Are Ways You Can Help Them Say ‘Yes’.

There are some simple things that can be done to help a local (or state) government say 'yes' to assisting your development project.

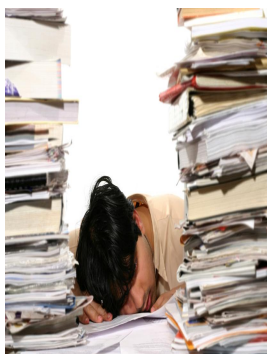
- Understand how existing assistance programs or governmental powers they have can be used to advance your project. In some cases the town may want to provide assistance, but not know how its programs can be used related to your unique circumstances. If you understand the details of these assistance programs you can make their job a lot easier by showing them how they can assist. Telling them you need money doesn't help. Tell-

ing them how existing program dollars can be used to support your project does.

- Show how your project advances the public agenda. Remember that the local officials you are dealing with have bosses too. Even if they like your project they may still have to convince the mayor, city council or the voters. Help them make the case for assistance that **they** have to make. For example, show how it advances previously announced economic development plans, goals in their comprehensive plan, or efforts already underway by the municipality or existing

businesses.

- Assist them with precedent. Sometimes assistance simply isn't provided out of fear that it will set a precedent for the community. Many projects have been lost because the business asks the community to do something it hasn't done before and the community fears the action will open them up to new demands or risks. Tell them how assisting you is comparable to other projects they have assisted, or how they might limit their exposure. If it is an issue, offer to help them address this in code or a development agreement.



Be As Professional As You Want The Municipality To Be.

It is simply more enjoyable to work with professionals than amateurs, and most often we can tell the difference!

You should expect local staff and officials to be professional in dealing with you and your project, and similarly, you will advance your project by being as professional as you can with them as well.

Consultants live for the “return engagement”, and you and the municipality should both keep that in mind. A community should approach each development project thinking that even if they do not win it, they’ve created good will that will stand them in good stead for the next one. The business or business consultant should try to do the same thing. If a community has a positive experience with a business or business consultant, they are much more likely to be supportive when they are presented with that business’ or consultant’s next

project.

For example, don’t expect that “brute force” solutions will work. Local officials understand that you may have other locations under review, but making this competition the only aspect of your presentation does not advance the cause of anything but the largest projects. Many projects have failed simply because the business or developer led the community to think that they were only being used as leverage against the **real** location of choice.

Don’t complain about procedures and processes the community or official you are working with has little control over. If an action must be approved by a higher authority or through an established process, build that time-lag into your plans. The people you are working with often have little control over such things and may be as frustrated with them as you!

Also, understand that different projects have different values to different communities. For example, a larger community may not be as forthcoming with a retail project as a smaller community might be, as the larger community may feel that the project **must** locate in the community if the retailer wants to sell into it.

Don’t underestimate the value of local staff. No one likes to think that they are being considered a bumpkin or rube. One small community in Illinois often called upon its fire chief to work with developers and site location consultants. The consultants often talked down to this individual even though he was quite expert on development matters and the elected officials took their lead from him.

Project location is a business decision and all of the parties involved should approach it in just that way.



Understand That There Are Other Puzzle Pieces.

While your interest may be in getting financial assistance for your project or client, keep in mind that there is more to a successful project than that.

It is not uncommon for a project to face a number of governmental hurdles before a spade of dirt is turned, including:

- Zoning;
- Land subdivision and/or large scale development review;
- Annexation;
- Other required agreements (e.g., sewer, water, drainage).

Create a relationship with the municipality on these matters up-front as partners working for the project’s success. Determine how they might help expedite these processes or reduce associated costs. The community may be more open to this than you think.

If you are receiving public funds in support of your project, remember that this may involve additional requirements, restrictions, conditions, reporting and paperwork. The municipality may have little or no control over this.

Determine with them what you

will need to do, the extent to which the municipality may be of assistance with these matters, and any requirements or conditions that may create problems for you or your client later on.

Discuss any time limitations with them. Often skilled local staff can identify ways to cut through the red tape, saving money on the project and reducing project costs. Time IS money. See how the municipality can help. Saving time on a project may cover financial gaps that the community can’t address through incentives.



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The Springfield-Sangamon County Regional Planning Commission

The Springfield-Sangamon County Regional Planning Commission (SSCRPC) serves as the joint planning body for the City of Springfield and Sangamon County, serving additionally as the Metropolitan Planning Organization for the area.

The Planning Commission also works with other public and semi-public agencies throughout the area to promote orderly growth, development and redevelopment.

The Commission has 17 members including representatives from the Sangamon County Board, Springfield City Council, special units of government, and six appointed citizens from the city and county. The Executive Director is appointed by

the Executive Board of the Commission and confirmed by the Sangamon County Board.

Through its professional staff, the Planning Commission provides overall planning services related to land use, housing, recreation, transportation, economic development, and environmental protection. It also conducts special projects that require objective, technical analysis.

The agency prepares area-wide planning documents and assists the county, cities, and villages, as well as special districts, with planning activities. The staff reviews all proposed subdivisions and development plans, and makes recom-

mendations on all county zoning and variance requests. The agency serves as the Floodplain Administrator, Census coordinator, and local A-95 review clearinghouse to process and review all federally funded applications for the county. The agency also maintains existing base maps, census tract maps, township and zoning maps and the road name map for the county.

The Planning Commission's Executive Director serves on numerous city and county boards and commissions, and is also the Plats Officer for Sangamon County. Divisions of land must be reviewed by the Plats Officer to insure compliance with the State Plat Act and local zoning and subdivision regulations.

